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C O N F I D E N T I A L SECTION 01 OF 02 ATHENS 002030

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TAGS: PREL PGOV GR

SUBJECT: PASOK LEADERSHIP CRISIS: KNIVES SHARPENED DURING WEEKEND DEBATE

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Classified By: POLITICAL COUNSELOR ROBIN QUINVILLE. REASON: 1.4 (B) A ND (D).

¶1. (C) SUMMARY: PASOK's defeat in the September 16 election has prompted a furious internal debate over the party's leadership. Party president George Papandreou was immediately challenged by former colleague Evangelos Venizelos. A sharp weekend of debate October 6-7 aired grievances and confirmed a party-wide leadership vote on November 11. Support for Papandreou is lukewarm, be neither Papandreou nor Venizelos is the right choice. END SUMMARY.

"HISTORIC" LOSS IN SEPTEMBER ELECTIONS SPURS LEADSHIP CHALLENGE

¶2. (C) Immediately following PASOK's defeat in the September 16 general election, former Minister of Culture (and political blogger) Evangelos Venizelos challenged the leadership of party president (and former Foreign Minister) George Papandreou. Blaming Papandreou for PASOK's defeat, Venizelos put forward his own candidacy and pressed for a quick decision by the party. Papandreou -- who, PASOK insiders tell us, considered resigning -- slowly fought back, regaining ground via procedural delays that have postponed the leadership decision until November 11.

¶3. (C) PASOK's National Council held a weekend-long debate October 6-7, ostensibly to examine the causes of defeat. Actually, it focused almost exclusively on the leadership fight. The council formally accepted the candidacy of three contenders -- Papandreou, Venizelos, and former party secretary Kostas Skandalides -- and approved procedures for

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the November 11 vote. It also called for another, larger party meeting on November 2-4, and a full party congress in February 2008.

¶4. (C) All eyes were on the two main contenders, Papandreou and Venizelos (Skandalides is assumed to have no chance at all). Papandreou declared PASOK the party of "radical platforms;" it won elections when it dared to move in a direction different from other political forces. He sought, he said, a meaningful political mandate that would allow him to reconstruct the party and be ready for the next general election campaign (which he believed would be soon). Venizelos denounced the "peddlers of conspiracy theories" who had tried to weaken his challenge to Papandreou's leadership.

Venizelos stressed that, despite the leadership debate, PASOK remained "united and strong." His goal: to make PASOK the "major pluralist party" and return it to power as soon as possible.

BUT CAN VENIZELOS REALLY TOPPLE PAPANDREOU?

¶5. (C) For the public, the meeting showed illustrated

PASOK's deep divisions. Even Papandreu supporters are critical of him, and fear that the leadership fight will prove debilitating for the party. Papandreu's attempt, during the swearing in of the new Parliament, to get a leadership mandate from all PASOK MPs (reftel) won him no friends. In fact -- apart from those still loyal to his legendary father -- much of Papandreu's support is lukewarm.

Party activists are looking for assurances that he is ready for tough changes to make the party more functional. Some Papandreu supporters admit that, while Papandreu may win, the party needs a leadership change. Unfortunately, in their view, the best candidates are not running.

¶6. (C) Venizelos -- whose bullying reputation is the polar opposite of Papandreu's soft-spoken demeanor -- is having his own difficulties gaining support. After months of sniping at Papandreu via his blog, he has been criticized for attempting to remove him by a too-swift post-election "coup." Venizelos appears to have gained support from former PM Simitis prior to the procedural debate, and Simitis may help him more on November 11 (Simitis was notably absent during the weekend). But though Venizelos is a clever and compelling speaker, PASOKies claim they are still trying to decipher his views on key issues.

VENIZELOS CAN WIN AN ELECTION -- BUT PAPANDREOU CAN WIN THE PARTY

¶7. (C) Recent polls of PASOK voters aren't encouraging. A

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September 25 poll conducted for MEGA TV showed that 53.1% thought Venizelos was a more suitable leader (Papandreu drew 39.2%). Nearly the same percentage believed Venizelos would be more effective in reconstructing PASOK. But who would they vote for for PASOK leader? Papandreu, with 44.7% to Venizelos's 41.2% and Skandalides 5.3%. An October 5 poll for Antenna TV showed that 48% of PASOK voters believed Venizelos could win the next election for PASOK (vice 41% for Papandreu). But Papandreu was the preferred choice for party leader (Papandreu 52%, Venizelos 38%, Skandalides 7%).

¶8. (C) As the party election campaign heads for the provinces, both Papandreu and Venizelos are tacking to the left. This is based on their reading of the election results, which saw the two smaller leftist parties (Communist KKE and leftist SYRIZA) increase their seats in Parliament. But while this tactic may be attractive to PASOK voters, it will leave less room for PASOK to appeal to the political center, particularly if snap elections are called within the next two years.

WHAT DOES VENIZELOS REALLY THINK?

¶9. (C) Papandreu supporters accuse Venizelos of trying to be everything to everybody, and criticize his lack of foreign policy experience. In Embassy discussions, Venizelos has identified Greece's main foreign policy problem as managing its relations with Turkey. He expressed concern that, without a "real" EU perspective for Turkey, Greece would need to craft an approach based on bilateral engagement, the French idea of a Mediterranean Union, and dealing with the Cyprus problem. Venizelos admitted that could be politically costly for Greece, which had heretofore been relying on EU leverage to achieve its objectives. On the Macedonia name issue, Venizelos (at least a few months ago) seemed prepared to support a "complicated" name for entry into European institutions. However, as he campaigns for support from PASOKies across Greece, his stance may change.

COUNTRYMAN